

March 14, 2012  
Toyobo Co., Ltd.

**Toyobo Reaches Settlement with First Choice Armor & Equipment, Inc. in  
U.S. Zylon® Fiber Bulletproof Vests Damages Lawsuit**

With respect to the action for damages filed with the United States District Court for the District of Massachusetts by First Choice Armor & Equipment, Inc., a U.S. manufacturer of bulletproof vests (the “Plaintiff”), Toyobo Co., Ltd. (“Toyobo”) hereby announces today that it entered into a settlement agreement that will result in the dismissal with prejudice of the lawsuit by the Plaintiff against Toyobo and the other defendant, in exchange for Toyobo's payment of USD 6,000,000 to the Plaintiff. The details are as follows:

**1. The Background of this Lawsuit from its Filing up to Settlement**

In August 2009, the Plaintiff, who manufactured and distributed bulletproof vests using Toyobo's Zylon® fibers, filed an action for damages against Toyobo and Toyobo's U.S. subsidiary, Toyobo America, Inc. (the “Defendants”) with the United States District Court Southern District of Florida.

The Plaintiff alleged that there was a defect and a degradation problem in the Zylon® fibers, and that Toyobo sold the Zylon® fibers by concealing such defect, thereby inflicting damage upon Plaintiff.

Throughout the proceeding of this lawsuit, Toyobo argued that the Plaintiff's allegations were erroneous and that Toyobo is not at fault. After the discussions among the parties, the Plaintiff and Toyobo agreed to the USD 6,000,000 settlement amount. Having taken into consideration the cost of continuing with this action and the uncertainty of the judgment, Toyobo determined that it would be appropriate to enter into this settlement agreement without acknowledging any legal liability. Thus, today, Toyobo entered into a settlement agreement with the Plaintiff.

**2. Details of the Settlement**

Toyobo will pay the Plaintiff a settlement amount of USD 6,000,000.

The Plaintiff will abandon any other claims in relation to this case against the Defendants. Henceforward, the Plaintiff's action against the Defendants will be dismissed with prejudice.

### **3. Impact on Business Performance**

Toyobo is currently investigating the impact this may have on the current fiscal year's business performance. If it becomes necessary to amend the business performance forecast, Toyobo will make an announcement promptly.

### **4. Other Lawsuits**

In relation to the bulletproof vests using Toyobo's Zylon® fibers, Toyobo is currently a defendant in twopending lawsuits in the U.S. court with the U.S. government. With regard to these lawsuits, we will continue to argue that we are not at fault.

For more information, contact:

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